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The Aluminum Situation

Department of Economics and Statistics

August 1987

1987 Shipments Up 1.7 Percent

Total industry net shipments for six months 1987, at an estimated 8,287 million pounds, were up 1.7 percent from the six month 1986 total of 8,149 million pounds.

Domestic shipments of 7,746 million pounds were 0.9 percent less than the six month 1986 total of 7,680 million pounds.

For the first six months of 1987, imports of ingot and mill products were down 9.4 percent and exports were up 22.3 percent compared with the same period of 1986.

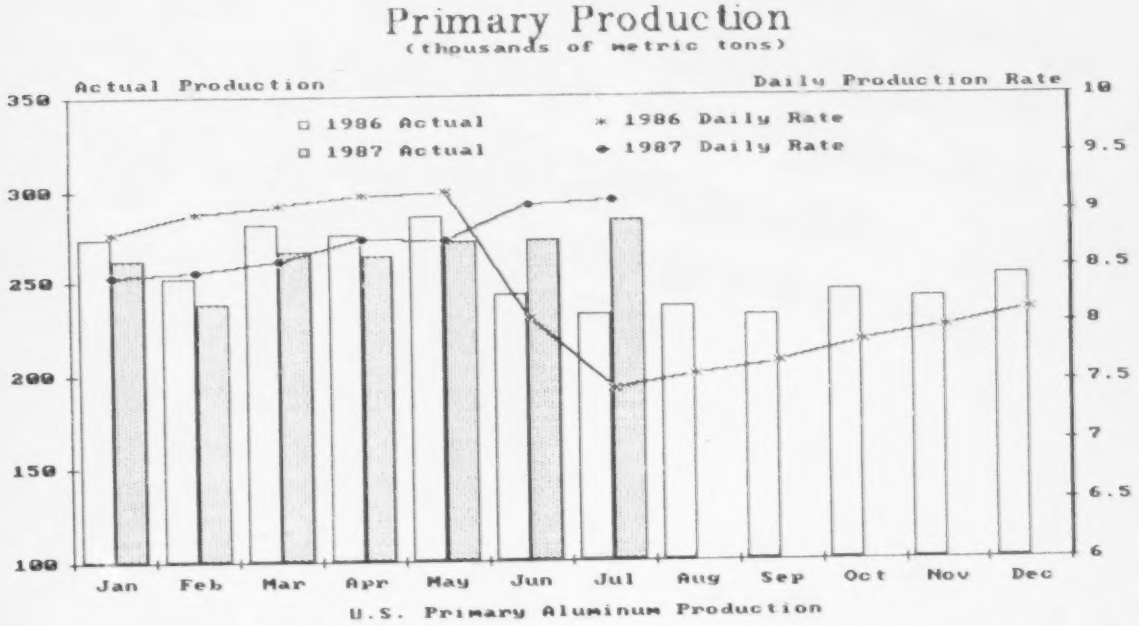
	6 Mos. 1987	6 Mos. 1986	% Change
Mill Products	6,483	6,428	+ 0.9%
Ingot	1,804	1,721	+ 4.8%
Total	8,287	8,149	+ 1.7%
Less Exports	542	469	+15.5%
Domestic Total	7,746	7,680	+ 0.9%

Millions of Pounds
Source: Latest month estimated by the Aluminum Association.
Previous data-Bureau of the Census.

1987 Production Continues To Increase

U.S. primary aluminum production averaged 9,106 metric tons daily during July 1987, compared with an average 7, 467 metric tons per day in July 1986.

The annual rate of production in July 1987 was 3,323,725 metric tons, compared to 2,725,373 metric tons in July 1986. The June 1987 annual rate was 3,307,934 metric tons. Actual production in July 1987 was 282,289 metric tons.

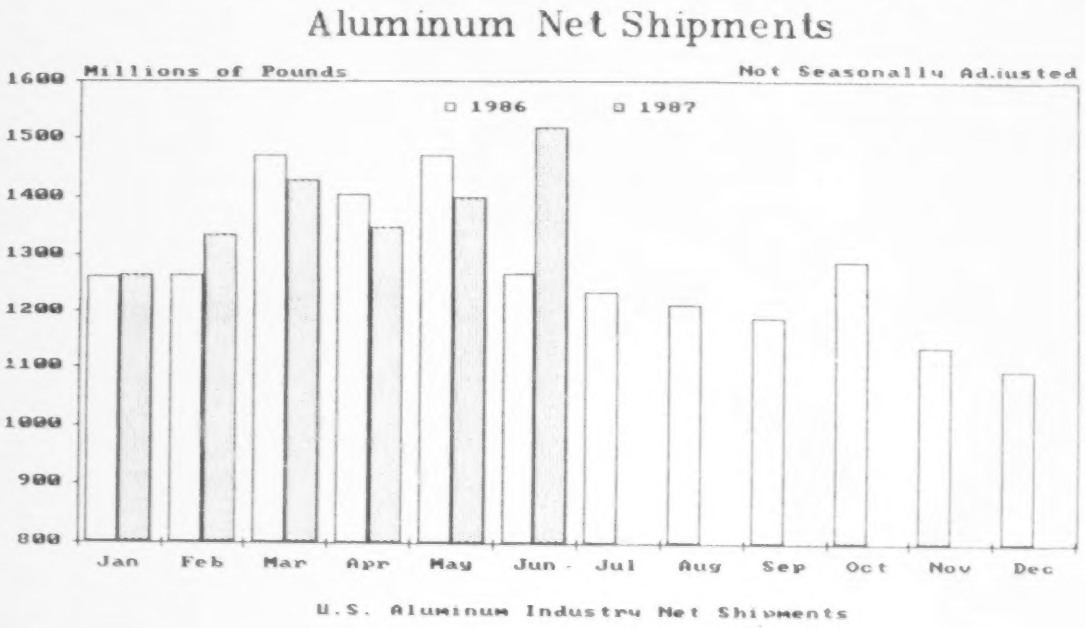


Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Situation

Net Shipment Up 1.7 Percent

Estimated total industry net shipments of 8,287 million pounds for six months of 1987 were up 1.7 percent from the six month 1986 total of 8,149 million pounds. Exports were up 15.5 percent. Domestic shipments showed a 0.9 percent decrease from a year ago. June shipments of 1,507 million pounds were up 18.9 percent versus a year ago.



U.S. Aluminum Industry Net Shipments

Net Shipments

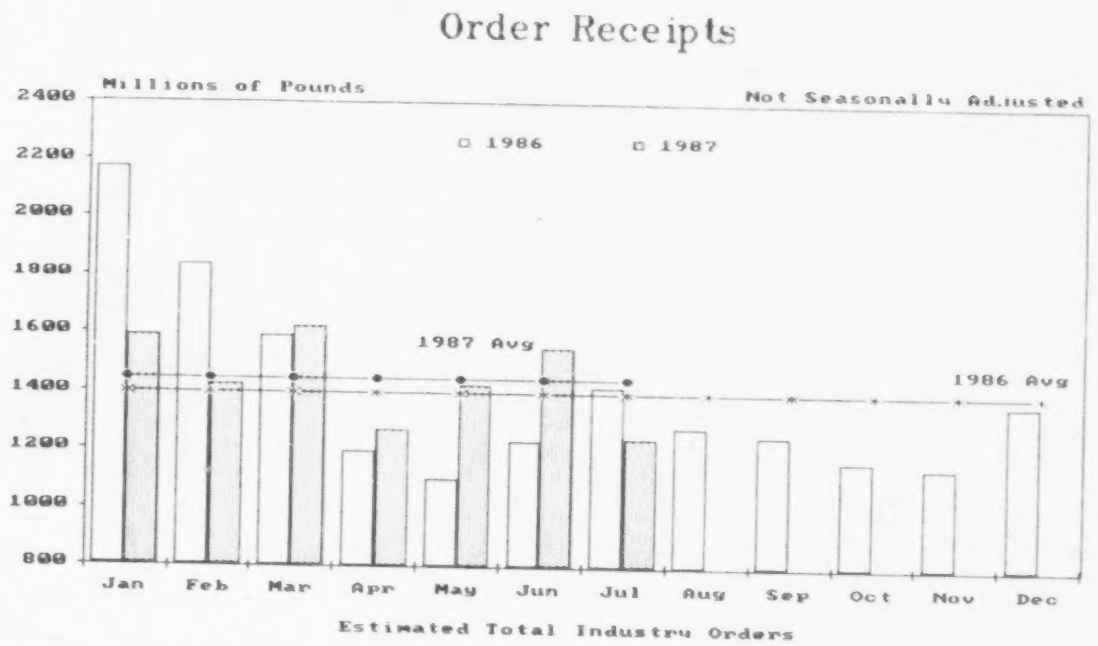
(Millions of Pounds)

	1987* June	1986 June	1987 6 Mos.	1986 6 Mos.	% Change YTD 1987 vs. 1986
Sheet	666.0	522.7	3,499.8	3,357.2	+ 4.2%
Plate	23.0	17.4	136.1	135.3	+ 0.6%
Foil	76.0	70.9	435.5	455.6	- 4.4%
Rod, Bar & Wire	30.0	18.8	179.2	181.9	- 1.5%
Electrical Conductor	60.0	53.4	310.5	324.4	- 4.3%
Extruded Shapes & Tube	230.0	233.9	1,345.8	1,393.2	- 3.4%
Powder & Paste	9.0	7.7	45.7	52.9	-13.7%
Forgings & Impacts	14.0	13.0	77.8	75.7	+ 2.8%
Net Imports of Mill Products (Total)(a)	73.3	65.4	452.5	452.0	+ 0.1%
Total Mill Products	1,181.3	1,003.2	6,483.0	6,428.2	+ 0.9%
Ingot(b)	326.0	264.9	1,804.2	1,721.1	+ 4.8%
TOTAL INDUSTRY SHIPMENTS	1,507.3	1,268.1	8,287.1	8,149.3	+ 1.7%
Exports	63.4	60.0	541.5	469.0	+15.5%
TOTAL DOMESTIC SHIPMENTS	1,443.8	1,208.1	7,745.6	7,680.3	+ 0.9%

Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.
*Latest month.

July Net Orders Decline 12.4 Percent

Estimated net new order receipts for seven months of 1987 at 10,121 million pounds were down 3.9 percent versus the first seven months of 1986 total of 10,009 million pounds. July orders of 1,245 million pounds were down 12.4 percent versus a year ago.



Order Receipts

(Millions of Pounds)

	1987* July	1986 July	1987 7 Mos.	1986 7 Mos.	% Change YTD 1987 vs. 1986
Can Stock(a)	231.3	372.9	2,152.5	2,247.7	- 4.2%
Sheet & Plate, Other	359.3	304.1	2,847.2	2,412.9	+18.0%
Foil	75.7	74.4	551.3	519.6	+ 6.1%
Rod, Bar & Wire	33.3	24.3	225.0	190.6	+18.0%
Electrical Conductor	52.2	59.3	378.1	395.1	- 4.3%
Extruded Products	247.7	239.4	2,083.4	1,661.4	+25.4%
Powder & Paste	7.5	4.0	48.7	50.3	- 3.2%
Forgings & Impacts	12.7	6.9	75.0	66.7	+ 12.4%
Domestic Mill Products	1,019.7	1,085.3	8,361.2	7,544.3	+10.8%
Ingot (Total)	142.4	278.0	1,041.7	2,524.9	-58.7%
TOTAL DOMESTIC	1,162.1	1,363.3	9,402.9	10,069.2	- 6.6%
Exports	82.8	57.8	718.1	464.8	+54.5%
TOTAL ALL PRODUCTS	1,244.9	1,421.1	10,121.0	10,534.0	- 3.9%

Source: The Association estimates total industry orders (including orders for imports), based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Domestic only. Orders for imports of can stock are included in Sheet and Plate, Other.
*Latest month.

Producer Inventories Decline 115 Million Pounds

Producer inventories decreased an estimated 115 million pounds in June 1987 from the revised May 1987 level of 4,519 million pounds

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Ingot	Scrap	All Other
Dec 85	5,165	2,235	567	2,363
Jun 86	5,043	1,959	614	2,471
Jul 86	5,084	1,998	625	2,461
Aug 86	5,059	2,058	626	2,375
Sep 86	4,976	1,995	647	2,334
Oct 86	4,927	1,896	622	2,409
Nov 86	4,902	1,879	598	2,425
Dec 86	4,928	1,971	632	2,324
Jan 87	4,947	1,933	601	2,413
Feb 87	4,784	1,693	582	2,509
Mar 87	4,702	1,623	561	2,518
Apr 87	4,591	1,521	560	2,511
May 87	4,519	1,467	555	2,497
Jun 87	4,404	1,406	608	2,390

*Latest month estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap.
Early estimates are available approximately the 5th working day each month; however; there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

Imports and Exports

(Millions of Pounds)

		1987 June	1986 June	1987 6 Mos.	1986 6 Mos.	% Change 1987 vs. 1986
Imports	Mill Products	85.3	81.7	508.6	521.2	- 2.4%
	Ingot	266.4	317.7	1,428.6	1,618.1	-11.7%
	Total	351.6	399.4	1,937.2	2,139.3	- 9.4%
	Scrap (+ dross)	40.0	44.5	221.4	178.4	+24.1%
	Grand Total	391.6	443.9	2,158.6	2,317.7	- 6.9%
Exports	Mill Products	63.4	34.8	322.2	233.8	+37.8%
	Ingot	32.2	25.3	251.5	235.2	+ 6.9%
	Total	95.6	60.0	573.8	469.0	+22.3%
	Scrap	73.2	61.7	412.6	374.7	+10.1%
	Grand Total	168.8	121.8	986.4	843.7	+16.9%
Net Imports		222.8	322.2	1,172.2	1,474.0	-20.5%

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.